

BOARD OF COMMUNITY HEALTH  
May 10, 2007

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20<sup>th</sup> Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Richard Holmes, Chairman; Mark Oshnock, Secretary; Bruce Cook; Dr. Inman C. “Buddy” English; Kim Gay; Frank Jones; and Richard Robinson. Commissioner Rhonda Medows was also present. Absent were Ross Mason and Dr. Ann McKee Parker. (A list of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

**Approval of Minutes**

Mr. Holmes called the meeting to order at 10:36a.m. The Minutes of the Meeting were UNANIMOUSLY APPROVED AND ADOPTED.

Mr. Holmes asked Commissioner Medows to give the Commissioner’s Comments.

**Commissioner’s Comments**

Commissioner Medows began with several updates and highlights of the 2008 Budget. The first update concerned the ACS data breach: the missing CD with the data has not been found; ACS has sent out notices to all of the Medicaid and PeachCare affected members; each member was offered a credit report at no cost to them; and ACS will provide an interim corrective action report regarding processes to improve and to prevent further incidents. The Department is also working with the Office of Civil Rights. They are reviewing the Department’s policies and procedures. The Department is also establishing some of the best practices from other entities that have experienced similar data breaches and developing its own.

Dr. Medows continued with an update on PeachCare. With the passage of the 2007 Amended Budget, the PeachCare program does achieve \$81 million in funding which would get the Department through the end of the state fiscal year. It does not get the program through to the federal fiscal year which ends September 30, 2007; consequently there is an interim period of funding for which the Department will need assistance from the federal government as will many other states. There was a revision in the amount of redistribution of funds from CMS. There were surplus SCHIP funds from 2004 and 2005 that were distributed to the shortfall states. Initially Georgia was to receive about \$4 million. Given the projected increase in enrollment that occurred at the time of the freeze implementation, CMS revised that amount based on the Department’s projections and increased that amount to \$35 million. Dr. Medows said that money is what has enabled the Department to get through May, and the Department will see if some of those funds will help us through June and July. States are waiting for congressional reauthorization of the program and appropriate funding to go forward with the program.

Dr. Medows said Carie Summers, Chief Financial Officer, has a very detailed presentation to give the board concerning the FY 08 Budget, however, Dr. Medows gave a few highlights. In the FY 2008 budget there were provider rate increases for speech therapy, dialysis centers, SOURCE and Nursing Homes. Several new program areas of funding were noted primarily to Federally Qualified Health Centers (FQHC) that included funding for establishing new facilities, behavioral health services and for the development of electronic health records for the FQHCs. Dr. Medows said with respect to the Governor’s priorities, his rural health access pilot passed with funding although a little less than the Governor proposed. The Governor’s health information transparency project was funded for \$700,000 instead of the \$1 million proposed. His recommendations regarding State Health Benefit Plan employee premium increase passed, as did the OPEB financing. Dr. Medows concluded her report.

**Committee Reports**

Kim Gay, Chair of the Care Management Committee, reported that the Committee reviewed the regular monthly CMO Metrics—enrollment (month-over-month), capitation payments and claims payments reports. PeachState Health Plan presented at today’s meeting. Dr. Mark Ramsue discussed PeachState’s disease management program, its quality program and how PeachState intends to improve on quality.

Mark Oshnock, Chair of the Audit Committee, reported that the Committee briefly discussed the audit process which is on track. The Committee focused on post retirement benefit matters which will result in a resolution to be presented to the full board.

#### **Department Updates – Legislative and External Affairs Director**

Carrie Downing, Legislative and External Affairs Director, said the Legislative Session concluded on April 20 at midnight. No PeachCare bills or CON bills passed in its entirety. With respect to the FY 07 Amended budget, there will not be a special session as the Governor rescinded his veto with a line item veto to eliminate \$142 million that will go into the reserves. In addition to the Appropriations Bill and the DCH legislative agenda, the Department tracked 221 bills pertaining to health care.

Ms. Downing provided a DCH legislative agenda update. Three bills out of five were passed as introduced; HB 551, SB 172 and SB 212. Other bills passed as amendments to HB 505 and HB 24. House Bill 429 was amended to make the Health Strategies Council advisory in nature. After addressing questions from the Board, Ms. Downing concluded her update.

#### **Department Updates – General Counsel**

Charemon Grant, General Counsel, said at the March board meeting the Department presented for initial adoption certain modifications to the State Health Benefit Plan rules. The Department posted a notice regarding the rules and a public hearing was held on April 26; there were no comments received to date. Ms. Grant gave a short summary of each rule. Mr. Oshnock MADE a MOTION to approve for final adoption State Health Benefit Plan Rules 111-4-1. Ms. Gay SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of State Health Benefit Plan Rules 111-4-1 are attached hereto and made an official part of these Minutes as attachment # 3.)

#### **Department Updates – Chief Financial Officer**

Carie Summers, CFO, reviewed FY 08 Budget changes from the Governor's recommendations. Additions to the budget total about \$11.6 million in state funds. This includes \$1.7 million in new state funds for administrative and benefit dollars for a Medicaid buy-in program; \$500,000 for Area Health Education Centers, specifically \$163,000 to support student housing; \$1.5 million state funds for Community Health Centers to support behavioral health services integration; \$750,000 add back to support the Georgia Association for Primary Health Care to complete a statewide electronic medical records system for FQHCs; \$1.5 million for six regional cancer coalitions of excellence; \$1.5 new dollars to create new Community Health Centers; \$745,733 state dollars to fund a reimbursement rate for speech therapy code 92507; \$1.4 million state funds to raise reimbursement rates for Medicaid dialysis services; and \$2 million state funds to support an additional growth allowance of one-half percent to cost report.

Ms. Summers reviewed reductions to the budget. The Governor recommended \$1.5 million to improve primary health care; the final recommendation was \$1.35 million; The Governor recommended \$58.4 million for Medicaid incurred benefits growth; the General Assembly recommended \$53.4 million (state funds). The General Assembly included additional reductions that had not been recommended by the Governor: a reduction of \$1.89 million state funds for the Department's Program Integrity unit and its fraudulent claims prevention initiative; \$10 million in state funds for Medicaid benefits with the assumption that the provisions of HB 551 would reduce Medicaid expenditures; \$5.4 million state funds in cost avoidance by funded eligibility positions to do Medicaid eligibility validations; \$500,000 state funds accounting adjustment relating to a three-year commitment that the State has with Hughes Spalding Children's Hospital; \$16 million relating to an expectation that the Department can save from CMO contract negotiations.

Ms. Summers said two items the Governor recommended but the General Assembly did not recommend at all relate to savings identified through the Commission for New Georgia to take the savings and redirect them to the Health Advisory Board as operating funds; \$19,593 for any procurement initiative savings and \$18,000 related to GTA rate negotiation savings.

Ms. Summers continued with other items of note for the budget; the Conference Committee agreed to \$1 million to implement the Health Information Technology pilot to promote health care transparency, however, they did include a caveat that earmarked \$300,000 to work with the Medical College of Georgia on a regional health information technology pilot.

Another accounting adjustment that was done to correctly reflect the availability of prior year funds in the FY 08 budget; and language that was included in the budget that was meant to allow the Department to borrow from Medicaid up to \$70 million from the Aged Blind and Disabled program for the first quarter of FY 08 to be used for PeachCare temporarily until additional federal funds are made available for SCHIP. There is a concern about whether that language was put in the correct place in the Appropriations Act to be legal.

Ms. Summers said in summary as compared to what the Governor recommended the final HB 95 was about a \$27 million state fund reduction as compared to what the Governor recommended. Compared to FY07, the Department's state and tobacco funds together increased about \$103 million or a 4.3% state fund increase. Ms. Summers addressed questions from the Board about who determines rate increases, what happens if the Board does not approve rate increases, the Department's abilities to achieve savings outlined in the reductions, and the status of tobacco settlement dollars. (A copy of the FY 2008 Budget Memo and FY 2008 Appropriations Highlights are attached hereto and made official parts of these Minutes as Attachments # 4 and 5 respectively).

Ms. Summers proceeded with Resolution for the FY 08 State Health Benefit Plan Employer Rates. The Resolution was reviewed today by the Audit Committee and the Committee made a suggestion to correct the preamble of the Resolution which she thinks is appropriate. Every year the Board sets the employers' contribution to the Plan. Approximately 75% on average of the total cost of the Plan is born by the employer with the employee paying the other 25% in the form of premiums. This resolution is driven by the Appropriations Act. There are several ways the SHBP collects revenue from employers. For teachers and state employees the Department collects a percent of payroll. For non-certificated members, the Department collects a combination of a per member per month contribution from the local boards of education and the Department of Education makes quarterly payments to DCH to subsidize that amount for non-certificated members as well as a very small group of retired teachers. The preamble speaks to the authority that the Board has to establish the employer rates and the second part of the preamble speaks to the fact that the General Assembly has determined that state departments, boards, agencies and authorities shall contribute 22.843% of total salary. There needs to be a correction and should read "*they shall contribute up to 22.843% of total salary.*" Likewise, to the next part of the preamble it speaks to the statute giving the Board authority to establish employer rates for local school systems, libraries and RESAs. It goes further to say the General Assembly has determined that the educational entities shall contribute 18.534% of state-based salaries beginning with July salaries for August coverage. Again that needs to be corrected to say "*up to 18.534%.*" As far as what the Resolution is declaring, for state departments, boards, agencies and authorities, the Board is setting the rate at 22.843%. Likewise for school systems and RESAs, that's set at 18.534% of state-based salaries, and for local school systems, the employer rates will not change. It will continue at \$162.72 per month. Finally, the amount that the Department of Education contributes quarterly will total \$347,163,848 annually. DCH believes these contribution rates will cover pay-as-you-go costs for existing members or members we expect to be in the plan in FY 08. Additionally the differential between the percent of payroll from the teachers of 18.534% and the 22.843% for state agencies requires DCH to place this into OPEB. The discussion with the Audit Committee was to table the OPEB allocation discussions for FY 08 until late summer or early fall; nonetheless, that does not prevent the Board from setting the employer contribution rates today. Mr. Oshnock MADE a MOTION to adopt the Resolution for SHBP Employer Rates for FY 2008 with the noted changes. Ms. Gay SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the corrected Resolution for SHBP Employer Rates for FY 2008 is attached hereto and made an official part of these Minutes as Attachment # 6).

Ms. Summers continued with the next agenda items—four public notices, all relating to the Appropriations Act. The Nursing Home Services Public Notice would update to the FY 06 cost report; recognize the additional \$2 million for inflation allowing a 1.19% growth allowance and change the rates from \$13.11 per day to \$12.21 per day beginning July 1. The total impact is \$5.3 million--\$2 million in state funds. Mr. Oshnock asked if it was possible to have a benchmark comparing Medicare, Medicaid and private pay plans rates when approving the public notices. Ms. Summers said it will depend on the specific area of reimbursement. She said the Department could try to do this as part of the briefing document that is provided for the Board's information. Ms. Gay MADE a MOTION to approve the Nursing Homes Services Public Notice to be published for public comment. Mr. Oshnock SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Nursing Homes Services Public Notice is hereto attached and made official parts of these Minutes as Attachment # 7).

The Service Options Using Resources in Community Environments program, also known as the SOURCE, was established in 1997. It is a long-term care community-based service that primarily consists of case management. Since 1997 the rate has been \$150 per member per month. As part of the Governor's recommendation and the General Assembly agreed in HB 95, the rate increase proposed is to increase the rate to \$175—a 17% rate increase that would be effective July 1. Mr. Jones MADE a MOTION to approve the Service Options Using Resources in Community Environments Public Notice to be published for public comment. Mr. Oshnock SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Service Options Using Resources in Community Environments Public Notice is hereto attached and made official parts of these Minutes as Attachment # 8).

The Children's Intervention Services (CIS) and Children's Intervention School Services (CISS) Public Notice provides for a rate increase for the Speech Therapy Code 92507 from \$47.82 to \$62.53 per unit effective July 1. The \$745,733 in state funds and \$82,375 local funds in the Children's Intervention School Services program are expected to support the increase for that particular code and program. Mr. Oshnock MADE a MOTION to approve the Children's Intervention Services and Children's Intervention School Services Public Notice to be published for public comment. Mr. Jones SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Children's Intervention Services and Children's Intervention School Services Public Notice is hereto attached and made official parts of these Minutes as Attachment # 9).

Ms. Summers said the final public notice relates to Dialysis Services. This public notice changed the monthly rate the Department pays for technical dialysis services. Currently DCH pays \$1477.44 a month. The General Assembly provided \$1.4 million in additional state funds that would allow DCH to increase the rate to \$1,609.53 per month effective July 1. Ms. Gay MADE a MOTION to approve the Dialysis Services Public Notice to be published for public comment. Mr. Jones SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Dialysis Services Public Notice is hereto attached and made official parts of these Minutes as Attachment # 10).

#### **Department Updates – Chief, Medical Assistance Plans**

Mark Trail, Chief, Medical Assistance Plans, gave a review of the Community Mental Health Services Public Notice. The public notice was released at the April board meeting. It modifies the payment method and rates for professional services and paraprofessional services in the Intensive Family Intervention (IFI) program. A public hearing was provided for on April 25 and no one came to offer oral comments nor were there any written comments. Ms. Gay MADE a MOTION to approve the Community Mental Health Services Public Notice. Dr. English SECONDED the MOTION. Mr. Holmes called for votes; votes were taken. The MOTION was UNANIMOUSLY APPROVED. (A copy of the Community Mental Health Services Public Notice is hereto attached and made official parts of these Minutes as Attachment # 11).

Mr. Trail continued with an overview of the Georgia Enhanced Care program. Georgia Enhanced Care (GEC) is in the State Plan as an enhanced primary care case management program. All providers participating in GEC participate in Georgia Better Health Care. The Department moved roughly 100,000 covered members in Disease State Management (particularly SSI Medicaid eligibles) into GEC. GEC is divided into two regions. Two vendors were selected as a result of competitive procurement: APS Healthcare for Region 1 (North) and United Healthcare for Region 2 (south). Adults are auto-assigned into the program; children can voluntarily sign up for this program. The significance between the two different models is the north region focuses much more on the primary provider; the southern region is more of a traditional model in that the interactions are primarily between the DM vendor and the individual member. Mr. Trail said the contracts are performance based not risk based. Up to 100 percent of the fees are at risk. Twenty percent of fees are related to clinical outcome; eighty percent of fees are at risk for financial savings. EHC employs several engagement methods: contact with members by telephone, mail or face-to-face, and clinical assessments to develop care plans for high risk. Mr. Trail said actuaries will assist the Department with an analysis of cost savings and to determine whether the vendors have met their clinical and financial outcomes. The performance period is from May 1, 2006 through April 30, 2007. Mr. Trail concluded his overview after addressing questions from the Board. (A copy of the Georgia Enhanced Care Presentation is attached hereto and made an official part of these Minutes as Attachment # 12).

### **Chairman's Comments**

Mr. Holmes thanked Mr. Mason for chairing the April board meeting. He said as Mr. Mason reported, members of the Executive Committee met to examine the board's responsibilities, direction, committee structure and its focus on performance measures. He has asked Mr. Mason, Mr. Jones, and Dr. Parker to lead the effort on establishing metrics that that the board would track that would be effective to the delivery of the Department's mission and objectives. Mr. Holmes said going forward he will assign at least one board member to be present at public hearings to hear comments first-hand. He asked Ms. Gay to attend the May 23 public hearing for the four public notices that were approved today for public comment.

Mr. Cook announced that today's meeting would be his last meeting. He wished the Board the best as it moves forward. Mr. Holmes thanked Mr. Cook for his valuable contributions and counsel to the Board.

Mr. Holmes recognized and welcomed Representative Michele Henson and thanked her for attending today's meeting.

### **Adjournment**

There being no further business to be brought before the Board at the meeting Mr. Holmes adjourned the meeting at 12:03 p.m. .

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE \_\_\_\_\_  
DAY OF \_\_\_\_\_, 2007.

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RICHARD L. HOLMES  
Chairman

ATTEST TO:

\_\_\_\_\_  
MARK D. OSHNOCK  
Secretary

### **Official Attachments:**

- #1 List of Attendees
- #2 Agenda
- #3 State Health Benefit Plan Rules 111-4-1
- #4 FY 2008 Budget Memo
- #5 FY 2008 Appropriations Highlights
- #6 Resolution for SHBP Employer Rates for FY 2008 (corrected)
- #7 Nursing Homes Services Public Notice
- #8 SOURCE Public Notice
- #9 CIS and CISS Public Notice
- #10 Dialysis Services Public Notice
- #11 Community Mental Health Services Public Notice
- #12 Georgia Enhanced Care Presentation